

Assembly Joint Resolution No. 23

RESOLUTION CHAPTER 91

Assembly Joint Resolution No. 23—Relative to the California film industry.

[Filed with Secretary of State September 1, 1999.]

LEGISLATIVE COUNSEL'S DIGEST

AJR 23, Runner. California film industry.

This measure would memorialize the President and the Congress of the United States to evaluate the relocation of film industry business to Canada and other foreign nations and to initiate trade-related legislation that would persuade the film industry to remain in California.

WHEREAS, The film industry is a major contributor to the California economy. It was one of the main drivers of the California comeback as the state recovered from the protracted recession of 1991, however, other countries aggressively promote incentives for filming outside of California. This competition translates into a significant share of tax revenue that is not directed to California. According to published estimates by the Motion Picture Association of America (MPAA), every one percent of entertainment jobs in California represents about \$9 million in state tax revenue; and

WHEREAS, The MPAA also notes that most forecasts predict that the demand for motion picture, television, and commercial products will increase. The issue is whether the future economic activity that this growth may generate will occur in California or elsewhere; and

WHEREAS, The film industry has a significant effect on other industries, including the multimedia industry, tourism, toys, games, and industries that perpetuate the "California look" in apparel and furniture manufacturing. This is part of the residual effect of the film industry; and

WHEREAS, The enormity of the film industry makes it an important contributor of tax revenue to this state; and

WHEREAS, While there is an abundance of available labor in the film industry in the Los Angeles region, many below-the-line union workers are currently unemployed; and

WHEREAS, Canada is enticing entertainment industry jobs out of this country by offering significant tax credits to United States production companies. This practice is resulting in less work for American film crews as more and more movies, TV series, sitcoms, mini-series, etc. are being relocated there; and

WHEREAS, A continued exodus of motion picture and television production to foreign countries such as Canada will not only eliminate thousands of well-paying jobs, it will mean the United States will lose a growing and very lucrative industry that it created; now, therefore, be it

Resolved by the Assembly and Senate of the State of California, jointly, That the Legislature respectfully memorializes the President and the Congress of the United States to evaluate the problems caused by relocating film industry business to Canada and other foreign nations, to evaluate the current state and federal tax incentives provided to the film industry, and to promote trade-related legislation that will persuade the film industry to remain in California; and be it further

Resolved, That the Chief Clerk of the Assembly transmit copies of this resolution to the President and Vice President of the United States, to the Speaker of the House of Representatives, to the Majority Leader of the Senate of the United States, and to each Senator and Representative from California in the Congress of the United States.

